The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. The price fixation/ revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. In case of any violation of the price fixed by NPPA, action for recovery of overcharging amount is taken by NPPA

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R and C expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

Revival of sick units

2643. SHRIMATI SHOBHANA BHARTIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) in view of the growing consumption of fertilizers in the country whether Government have decided to revive all the sick fertilizer units as well as re-opening of those closed;

(b) whether his Ministry has earmarked a total investment of Rs.22,000 crores for this purpose;

(c) whether the consumption of fertilizers in the country was at 250 lakh tonnes during the last fiscal as against 230 lakh tonnes on the year before and which is estimated to cross 300 lakh tonnes within five years; and

(d) if so, what are the concrete measures and steps Government are considering to take to improve the sick fertilizer units and also to improve its production?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Keeping in view the growing consumption of fertilizers in the country, Government has decided 'in principle' to examine the feasibility of revival of closed units of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizer Corporation Limited (HFCL) subject to confirmed availability of gas.

(b) The quantum of investment required is yet to be ascertained.

(c) Sales of main fertilizers *i.e.* Urea, DAP and MOP in the country during 2005-06 and 2006-07 and demand projections for the year 2011-12 as per Working Group Report on Fertilizer Industry for the Eleventh Plan are given below:

(In lakh tonne)

	2005-06	2006-07	2011-12 (Projected)
Urea	221.91	244.52	287.55
DAP	67.53	69.75	95.10
MOP	26.08	23.17	37.40

(d) At present, there is no fertilizer Public Sector Undertaking registered as sick in the Board for Industrial and Financial Reconstruction.

Subsidy on fertilizers and technical improvement

†2644. SHRI RAM JETHMALANI : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government give subsidy on chemical fertilizers in the country;

(b) if so, whether it is also a fact that there is an estimation of constant increase in the amount of this subsidy from 2003-04 to 2007-08;

(c) if so, the details thereof and the estimation made regarding the amount of said subsidy during the years 2003-04 and 2007-08;

(d) whether it is a fact that this subsidy can be reduced by reducing the cost of production of chemical fertilizers in the country; and

(e) if so, whether it is also a fact that the cost of production can be reduced by making technical improvement in fertilizer production projects?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes, Sir.

(b) Yes, Sir.

(c) The details of subsidy released for the years 2003-04 to 2006-07 and the estimated subsidy requirement for the year 2007-08 is given in the table below:–

Subsidy on Fertilizers

(Rs. in crores)

Years	Subsidy Released		Total subsidy disbursed	Liabilities Carryover to next year	Net incidence of subsidy for the year
	Urea	P&K Fertilizers			
2003-04	8509	3326	11835	2002	
2004-05	10637	5142	15779	3372	17149
2005-06	11749	6550	18299	5914	20841
2006-07	15354	10598	25952	8788	28826
2007-08*	27674	20306	47979		39191

* Estimated requirement

(d) and (e) Yes, Sir. The cost of production can be reduced by reducing the cost of inputs and improving the technical efficiency of the plants like conversion of existing Naphtha and FO/LSHS based units to gas and other technological changes/upgradations.

†Original notice of the question was received in Hindi.